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Press Release

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Capcom Announces Decision to Establish Subsidiary in France

Capcom Co., Ltd. hereby announces that it was decided to establish a subsidiary in France as follows by wholly owned subsidiary CE Europe, Ltd.

1. Objective for establishing subsidiary

Capcom positions the expansion of its overseas sales network as one of its highest priorities. The company believes that more sales bases are needed to achieve faster growth by capturing market share outside Japan, where the market for home video game software is expected to continue to expand.

Capcom is particularly interested in capturing a greater share of the video game software market in Europe, which has recently been growing rapidly. To accomplish this, Capcom must improve profitability by establishing a direct sales organization and reinforce its marketing organization at bases in Europe.

Capcom has already established subsidiaries in the United Kingdom and Germany, and now decided to establish a subsidiary in France for the realization of the above scenario. By adding this company, Capcom strives to increase earnings of the entire Capcom Group.

2. Profile of new subsidiary

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| (1) Name | Capcom Entertainment France, S.A.S. |
| (2) CEO | Hiroshi Tobisawa (Director of Capcom Co., Ltd.) |
| (3) Capital | 37,000 euros |
| (4) Capital structure | Wholly owned subsidiary of CE Europe, Ltd. |
| (5) Activities | Sale of home video game software |
| (6) Fiscal year | Ends March 31 |

3. Effect on operating results

The establishment of this subsidiary will have little effect on non-consolidated and consolidated performance.